



**U.S. Department of Justice**

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**For Immediate Release:**

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**EVENT: Indictment**

**Defendant: Vito J. Munaco**

**Indictment Charges Employment Leasing Executives with Money Laundering,  
Seeks Forfeiture of Rochester Hills Golf Course**

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Vito J. Munaco of Rochester Hills and John W. Burcham, II of West Bloomfield, were indicted by a federal grand jury in Detroit on charges of money laundering and Munaco was also charged in connection with false claims in a bankruptcy proceeding, United States Attorney Stephen J. Murphy announced today.

United States Attorney Murphy was joined in the announcement by Maurice Aouate, Special Agent in Charge of the Detroit Field Office of the Internal Revenue Service Criminal Investigation.

According to the Indictment, between 1998 and 2003, Munaco and Burcham conspired to defraud several workers' compensation insurance carriers of more than \$2.5 million dollars. The scheme alleges that Munaco and Burcham made it appear that Munaco's company, Mandamus, was sold to Burcham's company, National Human Resource Committee, Inc. (NHRC). The Indictment further alleges that in May 1999, NHRC was purchased by Simplified Employment Services (SES), formerly the fourth the largest employment services company in the nation, which ultimately filed for bankruptcy. After the sale, Mandamus was able to

continue obtaining worker compensation insurance under the SES coverage plan. The Indictment further charges more than \$88,000 was illegally paid out of a Mandamus bank account relating to credit cards and other debt belonging to Burcham.

Additionally, SES, while in bankruptcy proceedings, attempted to recover more than \$600,000 in workers' compensation charges paid on behalf of Mandamus. The Indictment charges that Munaco filed a false counterclaim against SES, alleging that Munaco had loaned NHRC \$200,000 in 1998 and had never been repaid. The government charges that the loan in question was repaid in 1998 with interest.

Finally, the Indictment seeks criminal forfeiture of Blackheath Golf Course in Rochester Hills, owned by Munaco, in partial satisfaction of the \$2,543,834 defrauded from the workers' compensation insurance providers relating to the money laundering conspiracy count against Munaco and Burcham.

United States Attorney Stephen J. Murphy said, "Today's charges reveal a complex fraudulent scheme to hide illegal proceeds and deceive the bankruptcy court. Fortunately, the determined investigation by the IRS criminal investigators unraveled the case."

"IRS-CI has the financial investigators and expertise that is critical to locating and identifying the illegal money obtained in complex schemes, which in this case, involves worker's compensation fraud," said Aouate.

An Indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

The case was investigated by special agents of the IRS-CI and the OIG of the Labor Department.